

UNITED STATES DISTRICT COURT?  
SOUTHERN DISTRICT OF NEW YORK

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CYPRESS HOLDINGS, III, L.P., individually  
and derivatively on behalf of SPORT-BLX,  
INC.,

Plaintiff,

-V- Civil Action No.:  
1:22-cv-1243-LGS

GEORGE HALL, JOSEPH DE PERIO, DANIEL  
STRAUSS, FRANCIS RUCHALSKI, CESAR BAEZ,  
CHRISTOPHER JOHNSON, SPORT-BLX INC.,  
SPORT-BLX SECURITIES, INC., CLINTON GROUP  
INC., AND GLASSBRIDGE ENTERPRISES INC.,

Defendants.

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SPORT-BLX, INC., individually and  
derivatively on behalf of its shareholders,

Plaintiff,

-V- Case No.:  
1:22-cv-8111-LGS

MICHAEL M. SALERNO, CYPRESS HOLDINGS, III,  
L.P

Defendants.

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DATE: July 20, 2023  
TIME: 9:35 A.M.

VIDEOTAPED EXAMINATION BEFORE  
TRIAL of the Defendant, Michael Salerno,  
taken by Mr. Sack, pursuant to Order, held  
at the offices of Hindy Freilich, a Notary  
Public of the State of New York.

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2 purchase -- more than recent sales of the  
3 stock, the implied price at 2 million  
4 dollars more than recent sales of Sport-BLX  
5 stock?

6 MR. PEARLSON: Also asked and  
7 answered.

8 Go ahead.

9 A. Again, I don't think that they  
10 shared those transactions with me.

11 Q. Were you offered a buyout at a  
12 different price?

13 A. I was.

14 Q. What was that price?

15 A. I think when Mike Staisil was  
16 in my office, maybe 1.6 million, and I told  
17 Michael that, no, I think 2 million is a  
18 very fair number, again, given the fact  
19 that Mr. De Perio said, you know, that the  
20 company's value is six to seven times in  
21 the money compared to my initial investment  
22 and was valued at around 50 million  
23 dollars, my 2 million dollars was very  
24 fair. And then Mr. Hall basically made me  
25 believe that it was not a sincere offer,

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2 and said, well, 1.6 is now 1.3. So I told  
3 Mr. Staisil that there was no reason for us  
4 to continue the conversation.

5 Q. What did -- 1.6 million was  
6 conveyed to you as a counter to the 2  
7 million, is that a fair statement?

8 A. Yes.

9 Q. And then did you seek to  
10 negotiate some price between 1.6 and 2?

11 A. No. My negotiation was, I  
12 think, that 2 million dollars is very fair  
13 and that's what I would like for my shares.  
14 And then Mr. Hall's statement was, well,  
15 now I'm only offering you 1.3 million.

16 Q. Well, I'm sorry. We have to  
17 back up.

18 So you asked for 2, Mr. Hall  
19 indicated a buyout might be done at 1.6.  
20 Did you respond to that 1.6 counter?

21 A. Yes.

22 Q. And that's where you said you  
23 would not move off of 2 million?

24 A. That's right.

25 Q. And then what did Mr. Hall say